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**September 19, 2005**

**AGENDA ITEM: 7b**

**TO: MEMBERS OF THE INVESTMENT COMMITTEE**

- I. SUBJECT:** Apollo Management Update (“Apollo”)
- II. PROGRAM:** Alternative Investment Management (AIM) Program
- III. RECOMMENDATION:** Information Only
- IV. ANALYSIS:**

Apollo Management is one of the largest General Partner relationships in the AIM Program with aggregate commitments from CalPERS of up to \$1.3 billion.

The AIM Unit recently made its largest commitment to a private equity fund through its commitment of up to \$750 million in Apollo Investment Fund VI. This investment is consistent with the AIM Unit’s strategy of making significantly larger commitments to the best top quartile partners in the Program.

The senior management of Apollo will make a brief presentation to the Investment Committee regarding their organization, strategy, and performance. The presentation is contained in Attachment I. AIM Staff and representatives from Apollo will be available to answer any questions the Investment Committee may have.

**V. STRATEGIC PLAN:**

Goal IV: Assure that sufficient funds are available, first, to pay benefits and, second, to minimize and stabilize employer contributions.

**VI. RESULTS/COSTS:**

None. This is an information item only.

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